

25X1

CONFIDENTIAL7/17
17 July 1968

MEMORANDUM TO: Chief, Benefits and Services Division/OP

FROM : Chief, Insurance Branch/BSD/OP

SUBJECT : Clarification of Association Benefit Plan Policy
(GMG 1799)

1. This memo is in response to your request for comments on Conway's letter of 26 June and the remarks by DD/Pers/SP on the routing slip that was attached to it. If it sounds like an exercise in confusion, it has been just that. I have attached copies of certain letters and memoranda from the files in order to establish a chronology of how I think this whole problem came about.

2. Several months ago a particular claim caused me to bring to Ben's attention the unpleasantness we go through, both for us and for the employee, whenever we receive a claim for treatment of attempted suicide. Such claims are few and far between, but when we got them, we were obliged by the terms of the policy to determine if they were related to a mental or nervous condition. In almost every case we could find some evidence of this which would permit us to consider the claim as a covered expense, but only after moments of embarrassment for the employee. Ben agreed that this was senseless and the underwriter was asked to delete treatment of attempted suicide from the exclusions of the policy. The underwriter was agreeable as evidenced by Conway's letter of 7 March (see attachment A). However, he stated that it should be handled administratively until renewal of the contract on 31 December 1968. Therefore, I was surprised to read Conway's letter of 29 April (see attachment B) which transmitted a copy of a formal amendment rider dealing with this matter. I was further concerned because I did not agree with the wording of the rider. It not only deleted the words "attempted suicide", but also deleted the words "(unless related to a mental or nervous disorder)" as an exception to the exclusion of alcoholism and drug addiction. I discussed this by telephone with Len and he suggested that I take it up with Conway at a meeting to be held a few days later in Ben's office. The meeting took place on 21 May and at that time it was learned that Ben had received correspondence from Mr. Ruddock of Civil Service Commission regarding removing our plan's exclusion of alcoholism and drug addiction. This was apparently why the definition of "hospital" also came up for discussion. Attachments C and D of this memo are copies of Memos for the Record which Ben wrote and which are now in Insurance Branch

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files. They indicate agreement by the underwriter to delete in total the exclusion on alcoholism, drug addiction, and self-inflicted injuries. Conway's letter of 3 June (see attachment E) gives a definition of "hospital" which differs little from our present definition (affixed to attachment E) and further states that our present definition is adequate. Attachment F is Ben's response, pointing out that no specific mention was made of total removal of the exclusion. This brings us up to Conway's 26 June letter about which you requested my comment. It enclosed a 17 June letter from Al Randall which agrees to a modification of the exclusion rather than its deletion. In my opinion, that modification is unacceptable. If it is intended solely to exclude charges of places specializing in the treatment of alcoholism, it is unnecessary because our present definition of hospital takes care of that. However, the modified exclusion could be interpreted to mean that treatment of alcoholism is covered only while the patient is in a "hospital" and this would defeat the purpose of our requesting complete deletion of the exclusion.

3. I think the whole matter should be resolved by a letter from Ben to Randall stating that:

a. It was our understanding that the exclusion pertaining to alcoholism, drug addiction, and attempted suicide was to be deleted in its entirety,

b. Because of this understanding, a total deletion of the exclusion was requested from the Civil Service Commission and they concurred,

c. The definition of "hospital" in the current brochure is sufficient to rule out any abuse of the plan through utilization of places existing solely for rest cures or withdrawal,

and

d. We request that the letter of understanding be rewritten to indicate total deletion of the exclusion pertaining to alcoholism, drug addiction, and attempted suicide, without any qualification.

Attachments:

As stated

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downgrading and

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED		CONFIDENTIAL	SECRET
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	C/BSO	July 1968	ha
2	DC BSD	2/25	ha
3	C/IB		
4			
5			
6			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks: The last communication I saw on this subject led me to believe that no change had to be made in the brochure. Consequently, why have we now received this? If, in fact, our brochure is all right as now prepared, let's not bother. On the other hand, if we have to make a change please confirm that the suggested change is consistent with the language currently in the Blue Cross brochure. Len and Bill will remember that in our meeting with Randall we agreed to have the same definition of a hospital as was then stated in the Blue Cross brochure.			
<i>#2 Comments Please</i> FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
DD/Pers/SP 5E47 HQ			9 JUL 1968
UNCLASSIFIED		CONFIDENTIAL	SECRET

 FORM NO. 11-59
 44C
 OBSOLETE PREVIOUS EDITIONS

ABSTRACT FILE SLIP (18)

2 July 1968

RIA 6001

 from Mutual of Omaha - 26 June 1968 -
 Note is a change necessary in brochure? If so,
 the same language is consistent with Blue Cross
 brochure re definition of hospital, etc

STAT

Mutual
OF OMAHA



MUTUAL OF OMAHA INSURANCE COMPANY

your good neighbor

V. J. SKUTT
CHAIRMAN OF THE BOARD

D. D. ULFERS
PRESIDENT

HOME OFFICE OMAHA, NEBRASKA

June 17, 1968

Government Employees Health
Association, Inc.

P.O. Box 463

Washington, D. C. 20004

Group Policy GMG-1799

Gentlemen:

Effective June 1, 1968, Mutual of Omaha Insurance Company hereby agrees to modify the fifth item of the Exclusions of brochure form BRI (Rev.) Jan. 1968 to read "Treatment of alcoholism or drug addiction in an institution other than a hospital."

It is our understanding that this change will be incorporated in the brochure when it is next reprinted.

Sincerely,

A. W. Randall
Executive Vice President

njb

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OF OMAHA



your good neighbor

MUTUAL OF OMAHA INSURANCE COMPANY

V. J. SKUTT
CHAIRMAN OF THE BOARD
D. D. ULFERS
PRESIDENT

HOME OFFICE OMAHA, NEBRASKA

WASHINGTON, D.C., REGIONAL GROUP OFFICE
SUITE 1704, 1750 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20006
222 8034

NORMAN C. CONWAY
MANAGER

June 26, 1968

PERSONAL & CONFIDENTIAL

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[Redacted]
Government Employees Health
Association, Inc.
Post Office Box 463
Washington, D.C. 20044

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Group Policy GMG 1799

Dear [Redacted]

I am enclosing a letter of understanding signed by
Mr. A. W. Randall, Executive Vice President, Mutual
of Omaha, amending the restriction on alcoholism and
drug addiction effective June 1, 1968.

Sincerely,

N. Conway
Norman C. Conway
Regional Manager

NCC:sak
Encl.